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## SECTION II – RULES GOVERNING PROCUREMENT

### A. IDENTIFICATION AND CLASSIFICATION OF ALTERNATIVE PROCUREMENT RFP REQUIREMENTS

#### 1. Requirements

The California Public Employees' Retirement System (CalPERS) has established requirements with respect to proposals for the Qualified Business Partner (QBP) to respond to. The use of "shall," "must," or "will" in the Request for Proposal (RFP) indicates a requirement or condition from which a deviation if not material may be waived by CalPERS. A deviation from a requirement is material if the deficient response is not in substantial accord with the RFP requirements. Material deviations **cannot** be waived.

### B. BIDDING REQUIREMENTS AND CONDITIONS

#### 1. General

The evaluation of proposals and the award of any resultant contract shall be made in conformance with the procedures established in this RFP.

#### 2. CalPERS Restricted Contact Policy

Respondents must comply with Government Code section 20153, as it exists and as amended by the Legislature and implemented by the CalPERS Board of Administration (Board) from time to time, concerning restricted contact policies. A copy of the existing code section is attached as Exhibit II.1 Restricted Contact Policy.

#### 3. RFP Documents

This RFP includes an explanation of CalPERS needs which must be met, instructions, which prescribe the format and content of proposals to be submitted, and the model of the contract to be executed between CalPERS and the successful Qualified Business Partner (QBP) for the Corporate Online Member Employer Transactions (COMET) - Pension System Resumption (PSR) Project (PSR Project)

Each QBP will also receive a PSR Reference Library CD-ROM with the RFP which contains additional information on CalPERS technical environment and current systems. The CD-ROM will include a list identifying available reference materials.



QBP's should carefully examine the entire RFP, any addenda thereto, and all related materials and data referenced in the RFP or otherwise available to the QBP in the PSR Reference Library at CalPERS. QBP's should become fully aware of the nature and location of the work, the quantities of the work, and the conditions to be encountered in Administrative, Technical, and Business Requirements.

4. PSR Reference Library

In addition to the PSR Reference Library CD-ROM provided to QBP's, CalPERS has established a PSR Reference Library at CalPERS headquarters located in Lincoln Plaza, Sacramento, California for viewing additional information. QBP's are encouraged to review the information in the PSR Reference Library in order to familiarize themselves with the current systems, business rules, business process descriptions, environment, and applications. No cameras, camera mobile telephones, or photocopies will be allowed due to the confidential nature of some of the material.

QBP's will be notified when modifications are made to the PSR Reference Library.

Access to the PSR Reference Library is by appointment only. CalPERS normal business hours are 8:00 a.m. to 5:00 p.m. Monday through Friday, with a one hour break between 12:00 p.m. – 1:00 p.m. for lunch. The QBP's Official Project Contact Person must provide the names of individuals on their team authorized to submit appointment requests to the CalPERS Official. Please submit appointment requests via electronic mail to:

[psr\\_project@calpers.ca.gov](mailto:psr_project@calpers.ca.gov)

Prior to viewing information in the PSR Reference Library, each person must sign a statement confirming that they will honor the security requirements of the PSR Reference Library materials.

5. Errors and Omissions

If a QBP discovers any ambiguity, conflict, discrepancy, omission, or other error in this RFP, the QBP should immediately notify CalPERS of such error in writing and request clarification or modification of the document. This notification must be submitted pursuant to the procedures described in Section II.B.6 Questions Regarding the RFP.

Modifications will be made by addenda issued pursuant to Section II.B.9 Addenda. Such clarifications will be given by written notice to all QBP's without divulging the source of the request. If a QBP fails to notify CalPERS of a known error prior to the final dates of submission, or an error that reasonably should have been known, the QBP will assume the risk of proposing.



If awarded the contract, the QBP will not be entitled to additional compensation or time by reason of the error or its later correction.

6. Questions Regarding the RFP

- a. QBPs requiring clarification of the intent and content of this RFP may request clarification only by submitting questions via electronic mail to:

[psr\\_solicitation@calpers.ca.gov](mailto:psr_solicitation@calpers.ca.gov)

**To ensure a response, written questions must be received by the date and time identified in the Schedule of Events.** CalPERS will use reasonable efforts to respond to questions in a timely manner. Responses to questions will be sent via electronic mail to all QBPs, without identifying the source of the query, on an ongoing basis until the date specified in the Schedule of Events for issuing the Final Response to Questions.

A QBP who desires clarification or further information on the content of the RFP, but whose questions relate to the proprietary aspect of their proposal and which, if disclosed to other QBPs, would expose the QBP's solution or bidding strategy, may submit such questions in the same manner as above, but also marked "CONFIDENTIAL," and not later than the date and time specified in the Schedule of Events. The QBP must explain why any questions are sensitive in nature. If CalPERS concurs that the disclosure of the question or answer would expose the proprietary nature of the proposal, the question will be answered and both the question and answer will be kept in confidence and directed only to the QBP who requested clarification. If CalPERS does not concur with the proprietary aspect of the question, the question will not be answered and the QBP will be so notified.

- b. Questions regarding the competitive proposal procedure only (i.e., questions dealing with format, packaging, DVBE, etc.) may be submitted via electronic mail to:

[psr\\_solicitation@calpers.ca.gov](mailto:psr_solicitation@calpers.ca.gov)

Responses will be directed to the respective QBP only. CalPERS will use reasonable efforts to respond to questions in a timely manner.

7. Requesting Changes to RFP Requirements

Should a QBP believe that one or more of the RFP business, technical and administrative requirements is onerous, unfair, or imposes unnecessary constraints to the QBP in proposing less costly or alternate solutions, the QBP may request a change to the RFP. All such requests must be made in writing



and signed by an individual who is authorized to bind the QBP contractually. The request must contain the recommended change(s) and the facts substantiating this belief and reasons for making the recommended change.

Any such requests to change the RFP requirements must be received by the CalPERS Official as promptly as possible, but not later than the date and time specified in the Schedule of Events. Please use the address specified in Section I.E CalPERS Official.

Requests for requirement changes will be forwarded to and the resolution will be determined by the CalPERS PSR Project Manager within ten (10) State working days following receipt of the request for change. If it is determined to be in CalPERS best interest to change any requirement, modifications will be made by addenda issued pursuant to Section II.B.9 Addenda.

If CalPERS determines that the request to change a requirement is not in CalPERS best interest, the request will be denied and the CalPERS Official will notify the QBP by email.

Protests of CalPERS decisions regarding changing the requirements should be addressed through the procedure identified in Section II.B.8.

8. Protest Any Aspect of the RFP

- a. If the QBP does not agree with the CalPERS decision on a requested RFP requirement change the QBP has a right to file a protest within five (5) State working days of notification. All such protests must be made in writing and signed by an individual who is authorized to bind the QBP contractually. The protest must specify the grounds for protesting the decision and the facts on which they are based.
- b. The QBP may also protest any aspect of the RFP by the date identified in the Schedule of Events.
- c. The QBP must submit their protest items along with a detailed discussion of the justification of the protest in writing, as also required when protesting a specific requirement.
- d. Please use the address specified in Section I.E CalPERS Official for all protests.
- e. CalPERS General Counsel along with CalPERS PSR Project Manager will decide whether the protest will be determined by PSR Steering Committee, PSR Project Executives, and/or the CalPERS General Counsel. The QBP will be notified of the final determination in writing within ten (10) State working days following receipt of the protest.



9. Addenda

CalPERS may modify any part of the RFP prior to the date Final Proposals are due by issuance of an addendum to all QBP's who are participating in the bidding process at the time the addendum is issued. Addenda will be numbered consecutively. If any QBP determines that an addendum unnecessarily restricts its ability to propose, the QBP is allowed five (5) State working days to submit a protest of the addendum according to the instructions contained in Section II.B.8.C, II.B.8.D and II.B.8.E. If an addendum is issued after the date and time specified in the Schedule of Events to request changes to RFP requirements and to protest any aspect of the RFP, only those items in the RFP that are changed by the addendum may be protested.

Protests of addenda will be forwarded to and the resolution will be determined by the CalPERS PSR Project Manager. If it is determined to be in CalPERS best interest to change the addendum, modifications will be made by an addendum.

If CalPERS determines that the request to change an addendum is not in CalPERS best interest, the request will be denied and the CalPERS Official will notify the QBP by email.

10. Confidentiality

To preserve the integrity of the security and confidentiality measures integrated into CalPERS automated information systems, all QBP personnel having access to RFP materials are bound by the project Confidentiality Statement, signed by an authorized representative of their firm before receipt of this RFP.

The QBP must have any subcontractor participating in this procurement sign the project Confidentiality Statement and submit it to CalPERS before providing any information to their personnel.

11. CalPERS Security

Entities seeking and/or entering into contractual agreements with CalPERS are, within the scope of the contract or agreement, responsible to maintain the confidentiality, integrity, and availability of CalPERS classified information assets.

Entities using or storing classified CalPERS information assets as a result of contractual or other agreements are considered custodians of those assets and are accountable for implementing and maintaining CalPERS Information Assets' protection against unauthorized access, disclosure, alteration, or destruction.

Best Practice security requirements to be applied to classified information assets are defined within this document in Exhibit II.2. The successful QBP contracting with CalPERS will be required to comply with all Information Security policies and practices represented in Exhibit II.2 which are related to proposed solutions, or elements or components of the proposals, solutions, facilities, and data. QBP's



must show their agreement to comply with these policies and practices as prescribed in Section V.B.2 Proposal/Proposer Certification Sheet.

12. Clarifications

CalPERS may request clarifications from QBPs at any phase of the Evaluation Process for the purpose of clarifying ambiguities in the information presented in the Final Proposal. CalPERS will advise QBPs in writing of the documentation required and the timeline for submission. Failure to submit the required documentation by the date and time indicated may cause CalPERS to deem the Final Proposal nonresponsive.

If deemed necessary by CalPERS, at its sole discretion, the following omitted and/or additional information may be collected from the QBP for purposes of clarification, by mail, fax, or other method:

- a. Signed copies of any form submitted without a signature. (This provision does not apply to an unsigned Cover Letter.)
- b. Data or documentation omitted from any submitted attachment or form.
- c. Information and material needed to clarify or confirm certifications or claims made by a QBP.
- d. Information or material needed to correct or remedy an immaterial defect in the Final Proposal.

Other than information requested by CalPERS, no QBP will be allowed to alter the Final Proposal or add new information after the final filing date and time.

13. Protest Procedures

- a. Any QBP that submitted a Final Proposal may file protest against the awarding of the contract. The protest must be filed during the five (5) State working days that CalPERS intent to award notice is posted. Within five (5) calendar days after filing the protest, the protesting QBP must file with CalPERS a full and complete written statement specifying the grounds for the protest and the facts on which they are based. Protests are limited to the following grounds:
  - (i) CalPERS failed to proceed in substantial accord with the procedures stated in the RFP.
  - (ii) CalPERS failed to apply correctly the standards for reviewing the format requirements or failed to evaluate the proposals as specified in the RFP.





- (iii) CalPERS failed to follow evaluation and rating methods as specified in the RFP.
  - (iv) CalPERS proposes to award contract to other than the QBP receiving the highest rating(s) and satisfactorily meeting all requirements of the final contract negotiations.
- b. Protest shall be made in writing and delivered to:  
Contracts Administrator  
California Public Employees' Retirement System  
Lincoln Plaza West  
400 Q Street, Room W2580  
Sacramento, CA 95814
- c. In the event of a protest, CalPERS may enter into a contract pending the outcome of said protest.
- d. Following the receipt of a protest, CalPERS General Counsel will determine along with the PSR Project Steering Committee whether the protest is to be resolved by written submission of material or decided by a CalPERS Board-appointed "Protest Review Committee".
- e. Following receipt of the complete written statement specifying the grounds for protest, all interested parties will be provided the applicable protest procedures and schedule. The decision of the General Counsel and/or PSR Project Steering Committee shall be final. All parties will be notified of the decision.
- f. There is no basis for protest if all proposals are rejected based on the best interests of CalPERS.

14. Right to Reject Any or All Proposals

The policy of CalPERS is to solicit proposals with a bona fide intention to award a contract. This policy will not affect CalPERS right to reject any or all proposals or to cancel the solicitation at any time.

15. Flawed Final Proposals

CalPERS may declare the Final Proposal submissions to be considered a second Final Draft Proposals in the event that CalPERS Evaluation Team (Evaluation Team) determines that Final Proposals from all QBPs either contained Material Deviations or were not responsive to CalPERS needs, and that it is in the best interest of CalPERS to continue to the bid process. If this occurs, CalPERS will issue an addendum to the RFP and a confidential discussion will be held with each QBP that submitted a Final Proposal. Each QBP will submit a new complete Final Proposal by the date and time specified in the revised Schedule of Events. This submission must conform to all of the



requirements of the original Final Proposal as amended by any subsequent addenda.

16. QBP's Costs

All costs for developing proposals, attending interviews at CalPERS headquarters, and/or demonstrations are entirely the responsibility of the QBP and shall not be chargeable to CalPERS.

17. Debriefing

At CalPERS discretion, a debriefing may be held after contract award and after the resolution of any protests with any QBP that submitted a Final Proposal for the purpose of receiving specific information concerning the evaluation. The discussion will be based primarily on the business, administrative, and technical evaluations of the QBP's Final Proposal.

18. Conflict of Interest

QBPs shall comply with California Public Contract Code Sections 10410 and 10411 relating to employment of current and former state employees.

19. Corporate Qualifications To Do Business In California

QBPs who are either foreign or domestic corporations must be in good standing and must be qualified to do business in California currently and during the term of the contract.

20. News Releases

QBPs shall not issue news releases pertaining to the award resulting from this RFP without prior written approval from CalPERS Chief Executive Officer or his designee.

21. Air or Water Pollution Violations

Unless the contract is less than \$25,000 or with a sole source contractor, Government Code Section 4481 and Public Contract Code Section 10301 prohibits CalPERS from contracting with a person, including a corporation or other business association, who has been determined to be in violation of any State or federal air or water pollution control law. Government Code Section 4481 requires State Water Resources Control Board and the Air Resources Board to notify State agencies of such persons.

Prior to an award, CalPERS shall ascertain if the intended contractor is a person included in notices from the State Water Resource Control Board or the Air Resources Board by reference to notices. In the event of any doubt of the intended contractor's identity or status as a person who is in violation of any



State or federal air or water pollution law, CalPERS will notify the appropriate Board of the proposed award and afford the Board the opportunity to advise CalPERS that the intended contractor is such a person.

No award will be made to a person who is identified either by the published notices or by advice, as a person in violation of State or federal air or water pollution control laws.

22. Exclusion for Prohibited Relationships

- a. One purpose of this Section II.B.22 is to prevent violations of California law relating to conflicts of interest in government procurement, including but not limited to the following statutory provisions and relevant case law:
  - (i) California Government Code § 1090, which prohibits government officials from having a financial interest in contracts made by them in their official capacity;
  - (ii) California Government Code § 87100, which prohibits government officials from using their positions to influence governmental decisions in which they know or have reason to know they have a financial interest; and
  - (iii) California Public Contract Code § 10410, which, with limited exceptions, prohibits government officials from engaging in any enterprise in which they have a financial interest that is sponsored or funded by a state agency or department through a state contract.

A secondary and related purpose of Section II.B.22 is to take reasonable precautions to avoid either the fact or the appearance of impropriety, unfairness, conflict of interest, or improper influence that could compromise the validity of any contract that results from the RFP, or call into question the integrity of CalPERS procurement process, without regard to whether such fact or appearance would also constitute a violation of California law.

- b. For purposes of Section II.B.22 "QBP" refers to a Prime Contractor responding to the Invitation to Partner (ITP) who CalPERS identified in the Qualified Business Partners list posted pursuant to the ITP No. 2004-3494 and all subcontractors at any level or tier.
- c. Any QBP having any:
  - (i) employee;
  - (ii) officer;



- (iii) director; or
- (iv) shareholder who owns more than 3% of the equity interest of the vendor

who is personally employed in any capacity by CalPERS (as a full-time employee, independent contractor, or otherwise) or whose spouse, domestic partner, or dependent is so employed ("CalPERS Individual") may not be engaged as a contractor or subcontractor at any tier or level on a contract arising out of the RFP if such CalPERS Individual, acting in his or her official capacity:

- (i) has participated in;
- (ii) is participating in; or,
- (iii) is reasonably anticipated to participate in

the ITP, the RFP, or the PSR Project on behalf of CalPERS. CalPERS shall, in its sole discretion, determine whether any CalPERS Individual has participated in, is participating in, or is reasonably anticipated to participate in any governmental decision relating to the ITP, the RFP, or the PSR Project more generally. Persons who are considered to be "participating" in the ITP, the RFP, or the PSR Project on behalf of CalPERS for purposes of this clause include, but are not limited to, the following:

- (i) members of the CalPERS Board; and,
- (ii) the Chief Executive Officer, the General Counsel, and all employees whose classification is listed in Exhibit II.3.

- d. In addition to the prohibition in subdivision (c) above, QBPs may not be engaged as a contractor or subcontractor if their participation would be reasonably likely to cause a contract to be void or voidable pursuant to Article 8 of Chapter 2 of Part 2 of Division 2 of the Public Contract Code, beginning at section 10410; Article 1 of Chapter 7 of Title 9 of the Government Code, beginning at section 87100 to include section 87103, and Chapter 11 of Title 9 of the Government Code, beginning at section 91000 to include section 91003; or Article 4 of Chapter 1 of Division 4 of Title 1 of the Government Code, beginning at section 1090.
- e. In any RFP response submitted, and any contract executed by a QBP regarding the PSR, the QBP will be required to warrant and represent that, after conducting a reasonable inquiry, to the best of its knowledge their engagement is not prohibited under subdivision (c) or (d) above or under Section VI.F.5 and VI.F.7 of the ITP. If, at any time after the ITP response or subsequent RFP response is submitted or the contract is



executed, any QBP selected for work learns that a relationship of the type prohibited by subdivision (c) or (d) above or in Section VI.F.5 and VI.F.7 of the ITP exists, the vendor shall immediately notify CalPERS, and CalPERS reserves the right to take appropriate action, including disqualifying the vendor from entering into a contract for work on the PSR Project or voiding any executed contract, consistent with State law.

23. Follow-on Contracts

Contractor shall not directly or indirectly receive any benefit from recommendations made to CalPERS and shall disclose to CalPERS any personal investment or economic interest of Contractor which may be enhanced by the recommendations made to CalPERS.

Neither the QBP which is awarded a contract under this RFP No. 2004-3494, nor any of its subsidiaries, officers or directors, may submit a bid or be awarded a contract for the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed to be an outgrowth of any advice or commendations that the awardee provides under a contract resulting from such RFP.

24. Requesting Additional Confidential Discussions

As described below in Section II.C Procurement Steps, CalPERS has provided QBPs with the opportunity to participate in four (4) Confidential Discussion sessions. During the procurement process, CalPERS may determine that additional Confidential Discussions would be beneficial and will notify all QBPs and schedule additional meetings with interested QBPs.

Additionally, any QBP may request additional Confidential Discussions by submitting a detailed agenda of issues to be discussed and, if applicable, identify specific CalPERS representatives requested to be in attendance. The request must be submitted via electronic mail to:

[psr\\_solicitation@calpers.ca.gov](mailto:psr_solicitation@calpers.ca.gov)

CalPERS will use reasonable efforts to accommodate requests but reserves the right to decline any request or alter the agenda based on the best interest of CalPERS and the PSR Project. However, if CalPERS accepts one QBP's request for an additional Confidential Discussion, all QBPs will be notified and afforded an equal meeting opportunity. Each QBP interested in participating in additional Confidential Discussions will submit a detailed agenda of issues to be discussed.



## C. PROCUREMENT STEPS

The submission steps for QBPs are: Conceptual Proposal, Initial Draft Proposal, Final Draft Proposal, Notice of Intent to Bid, and Final Proposal. During the procurement process, confidential discussions will be held as necessary with all interested QBPs to provide feedback and permit each QBP to request clarification or ask questions specific to their proposed solution without having to share that feedback, clarifications, or questions with the other participating QBPs, thus protecting the confidential nature of each solution. These confidential discussions are not mandatory but provide an opportunity for the QBP to request clarification of CalPERS comments to the QBP's responses or to ask questions specific to its proposed solution.

1. Alternative Procurement RFP Release Date

The complete RFP and associated reference materials are released to QBPs.

2. Pre-Conceptual Proposal Confidential Discussions

Prior to submission of the Conceptual Proposals, CalPERS will hold confidential discussions with each interested QBP to answer any questions they have relative to the RFP process, requirements, technical architecture, or the CalPERS contract. The order for scheduling and subsequent confidential discussions for each QBP was determined by CalPERS through a random lottery held on June 20, 2005. Each QBP will be notified in advance of the specific date, time, and location for this meeting and will be allotted three hours to request clarification or ask questions specific to their proposed solution.

### Confidential Discussion Summary

CalPERS will prepare a written summary of each confidential discussion and a copy of the summary will be provided to the QBP when all confidential discussions are completed for this bidding step.

### Preparation of Agenda for Confidential Discussions

Prior to each confidential discussion, CalPERS and the QBP will jointly contribute to a discussion agenda. Proposals will be reviewed to identify and document areas in which a proposal appears to be non-responsive, defective, requires additional clarification, or introduces potential risk. The agenda will include those areas identified during reviews that CalPERS wants to discuss further and may identify areas of perceived risks. CalPERS will provide the QBP with a tentative agenda of items to be discussed and ask that the QBP identify additional questions or discussion items to be added to the agenda.

If the QBP chooses not to meet in any scheduled confidential discussions, they are not required to do so.



3. Submission of Conceptual Proposal

The purpose of the Conceptual Proposal is to allow each QBP to:

- a. Provide a general concept of their proposal with just enough detail to enable CalPERS to determine if the QBP understands the functional requirements as stated in the RFP; and if not, where the QBP must change a concept, or concepts.
- b. Articulate why their approach is a custom solution, commercial off-the-shelf (COTS), or a modified COTS solution, and why it is the best approach for CalPERS to meet their business requirements.

At this point, QBPs are encouraged to be as innovative as the RFP requirements allow, and to provide sufficient dialogue between themselves and CalPERS to shape the initial response and to eliminate unnecessary constraints.

Conceptual Proposals must be submitted in the format prescribed in Section VIII Proposal Format, by the date and time specified in the Schedule of Events.

Review of Conceptual Proposal

QBP Conceptual Proposals will be reviewed by the Evaluation Team to identify and document issues and concerns with the concept proposed and how it fits into the CalPERS business and technology vision.

CalPERS will schedule a confidential discussion with each interested QBP to discuss their Conceptual Proposal.

4. Conceptual Proposal Confidential Discussions

In accordance with the discussion agenda, CalPERS will meet with each interested QBP to discuss the Conceptual Proposal in detail. The QBP should bring staff that can discuss the concept proposed from both a business and technical aspect. CalPERS will not offer alternatives, but will provide comments related to how the concept will fit into the CalPERS environment and how it will meet the business needs. CalPERS will issue a summary of the confidential discussion as discussed earlier in Section II.C.2.

5. Deadline to Request Changes to RFP Requirements

Proposed changes to RFP requirements must be submitted as prescribed in Section II.B.7 Requesting Changes to RFP Requirements, by the date and time specified in the Schedule of Events.





6. Deadline to Protest Any Aspect of the RFP

Protests to the RFP must be submitted as prescribed in Section II.B.8 Protesting Any Aspect of the RFP, by the date and time specified in the Schedule of Events.

7. Deadline to Submit Proposed Contract Language Modifications

Proposed modifications to CalPERS Contract Terms and Conditions must be submitted as prescribed in this Section II.D Contract Modification Process, by the date and time specified in the Schedule of Events.

8. Submission of Initial Draft Proposals

The Initial Draft Proposal expands on the Conceptual Proposal with detailed responses to all business requirements as well as a detailed description of the proposed technology, architecture, and response to all administrative and technical requirements. Submission of an Initial Draft Proposal allows each QBP to provide a first draft of its Proposal to determine at an early stage whether the Proposal is responsive to all the requirements of the RFP, and, if not, which elements are not responsive, and what changes would be necessary and acceptable.

Initial Draft Proposals must be submitted in the format prescribed in Section VIII.D Initial Draft and Final Draft Proposals, by the date and time specified in the Schedule of Events.

Review of Initial Draft Proposal and Preparation of Discussion Agenda

The Initial Draft Proposal will be reviewed by the Evaluation Team and subject matter experts when necessary, to identify and document areas in which a proposal appears to be non-responsive, defective, requires additional clarification, demonstrates lack of responsibility, or introduces potential risk. The review will address administrative, technical, and business requirement responses in detail.

The Evaluation Team will identify and document its concerns, ask the QBP for clarification, and express reservations if a requirement of the RFP is not, in the opinion of the Evaluation Team, appropriately satisfied. CalPERS review of the Initial and Final Draft Proposals shall in no way imply a warranty that all potential defects in the Proposals have been detected. Notification that CalPERS did not detect any defects does not preclude rejection of the Final Proposal if defects are later found.

CalPERS will schedule confidential discussions with each interested QBP to discuss the QBP's Initial Draft Proposal. If any contractual items have a bearing on, or are affected by, the content of the Proposal, such matters may be discussed in an effort to reach agreement.





9. Initial Draft Proposal Confidential Discussions

The Initial Draft Proposal Confidential Discussions will be divided into three concurrent sessions covering the business, technical, and administrative and contractual issues. The QBP should bring staff that can answer questions, provide clarification, and address reservations CalPERS may have expressed regarding any aspects of the Initial Draft Proposal that, in the Evaluation Team's judgment, potentially introduce risk to the project. CalPERS will issue a summary of the confidential discussion as discussed earlier in Section II.C.2.

10. Deadline to Submit Questions

QBPs must submit questions as prescribed in Section II.B.6 Questions Regarding the RFP, by the date and time specified in the Schedule of Events.

11. Submission of Final Draft Proposals

The purpose of the Final Draft Proposal is to provide CalPERS with an "almost final" but completed proposal, excluding cost data, in order for CalPERS to identify any faulty aspect of the proposal which, if not corrected, could cause the Final Proposal to be rejected.

Final Draft Proposals must be submitted in the format prescribed in Section VIII.D Initial Draft and Final Draft Proposals, by the date and time specified in the Schedule of Events.

Review of Final Draft Proposal and Preparation of Discussion Agenda

The Final Draft Proposal will be reviewed by the Evaluation Team and subject matter experts when necessary, to identify and document areas in which a Proposal appears to be non-responsive, defective, requires additional clarification, demonstrates lack of responsibility, or introduces potential risk. The review will address administrative, technical, and business requirement responses in detail.

The Evaluation Team will identify and document its concerns, ask the QBP for clarification, and express reservations if a requirement of the RFP is not, in the opinion of the Evaluation Team, appropriately satisfied.

CalPERS will schedule confidential discussions with each interested QBP to discuss the QBP's Final Draft Proposal. If any contractual modifications were submitted, such matters may be discussed in an effort to reach agreement.

12. Final Draft Proposal Confidential Discussions

The Final Draft Proposal Confidential Discussions will be divided into three concurrent sessions covering the business, technical, and administrative and contractual issues. The QBP should bring staff that can answer questions,



provide clarification, and address reservations CalPERS may have expressed regarding any aspects of the Final Draft Proposal that, in the Evaluation Team's judgment, potentially introduce risk to the project. CalPERS will issue a summary of the confidential discussion as discussed earlier in Section II.C.2.

13. Demonstrations

CalPERS may request that a QBP provide a demonstration of the proposed solution as prescribed in Section X - Demonstrations.

14. Issue Final CalPERS Contract Terms and Conditions

CalPERS will issue the final CalPERS Contract Terms and Conditions incorporating approved revisions by the date identified in the Schedule of Events.

15. Final Responses to Questions Issued

CalPERS will issue the Final Response to Questions by the date identified in the Schedule of Events.

16. Submission of Notice of Intent to Bid

QBPs that wish to continue participating in this solicitation process must submit the Notice of Intent to Bid, Attachment II.1, certifying their acceptance of the CalPERS Contract Terms and Conditions, Exhibit II.4.B, and indicating any provision(s) at issue by the date and time specified in the Schedule of Events.

17. Submission of Final Proposal

Refer to Section VIII – Proposal Format and Submission Instructions.

18. Preliminary Review

Refer to Section VIII – Proposal Format and Submission Instructions.

19. Evaluation of Proposals

See Section IX – Proposal Evaluation.

20. Cost Proposal Opening

See Section IX – Proposal Evaluation.

21. Cost Proposal Evaluation

See Section IX – Proposal Evaluation.

22. Demonstrations

See Section X – General.

23. Notice of Intent to Award Posted24. Contract Award

See Section IX.F Contract Award.

25. CalPERS Anticipated Contract Performance Start Date**D. CONTRACT MODIFICATION PROCESS**

The contract will be executed on CalPERS Standard Agreement, Form STD. 213 and a copy of the CalPERS Contract Terms and Conditions is provided in Exhibit II.4.B CalPERS may modify the contract provisions or incorporate additional provisions, if it is in the best interests of CalPERS to do so, based on the needs of the PSR project. The QBPs will submit Exhibit II.4.C, Riders A through J containing revisions driven by their proposed solution in Volume IV as specified in Section VIII.E.

CalPERS will provide QBPs the opportunity to discuss contractual issues during the Confidential Discussions. Additionally, QBPs may submit proposed contract modifications for CalPERS review and consideration. QBPs are encouraged to submit any changes as early as possible to facilitate the review process. It is not acceptable for a QBP to submit their own contract and ask CalPERS to accept or reject it; CalPERS will not review such submittals.

1. QBPs requesting any modification to the CalPERS Contract Terms and Conditions will:
  - a. Use the Contract Modification Matrix, Attachment II.2, to identify each change made to the contract and the rationale for the change. Propose only changes absolutely required to make CalPERS Contract Terms and Conditions acceptable. You may propose changes to typographical errors, but do not include changes for the purpose of improving the format or readability unless the change is otherwise required. Do not include any cost details/dollar figures with the submission. **Including cost details in the submission may preclude the QBP from further participation in the procurement.**
  - b. Submit the Contract Modification Matrix, Attachment II.2, to the CalPERS Official identified in Section I.E as early as possible, but no later than the date and time specified in the Schedule of Events.



2. CalPERS will:

- a. Review and consider all proposed contract language modification requests received by the time and date specified in the Schedule of Events. Terms and conditions which do not comply in substance with all material requirements of the RFP, which are contrary to the best interests of CalPERS, or which are in opposition to CalPERS policy will not be accepted.
- b. Exhibit II.4.B will be revised to reflect the final CalPERS Contract Terms and Conditions and will be issued by the date specified in the Schedule of Events.
- c. Proposed changes to Exhibit II.4.C, Riders A through J may be subject to final negotiations with the responsive and responsible QBP having the highest total score.